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SENATE BILL 3137 By
Herron

HOUSE BILL 3198
By Odom

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 32, Part 2 and Title 71, relative to prompt payment requirements.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-32-226, is amended by deleting the language "May 1" and by substituting instead the language "February 15" in subitem (b)(5).

SECTION 2. Tennessee Code Annotated, Section 56-32-226, is further amended by adding the words "Select Oversight Committee on TennCare, the Finance, Ways and Means Committee of each house," after the words "of health" and before the words "and to" in subitem (b)(5).

SECTION 3. Tennessee Code Annotated, Section 56-32-226, is further amended by deleting subitem (b)(10) in its entirety, and by substituting instead the following:

(10)(A) The commissioner shall monitor, on a monthly basis, claims processing compliance under the standards specified in subdivision (b)(1) of this section. Any failure to meet either the thirty (30) day or the sixty (60) day standard of subdivision (b)(1) for three (3) consecutive months or for any three (3) months in a five (5) month period shall trigger an investigation under §56-32-232 and §56-32-233. Such investigation may, in the discretion of

the commissioner, be limited to issues related to claims processing or may extend to any aspect of compliance with this part and Title 71, Chapter 5.

(B) Any health maintenance organization found by the commissioner to be in violation of any of the provisions of this section shall be subject to revocation or suspension of its certificate of authority under §56-32-216 or, in the alternative, the imposition of the penalties and other remedies set forth at §56-32-220.

SECTION 4. Section 1 shall take effect on July 1, 2000; the remainder of this act shall take effect upon becoming a law, the public welfare requiring it.